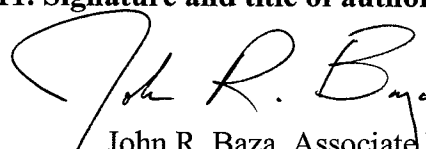


**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or February 17, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  CrownQuest Operating, LLC proposes to drill the Halls State 5-1 well (wildcat) on State lease ML-47962, San Juan County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 1940' FNL 2080' FEL, SW/4 NW/4, Section 5, Township 33 South, Range 24 East, San Juan County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
<b>10. For further information, contact:</b>   Diana Whitney Phone: (801) 538-5312	<b>11. Signature and title of authorized officer</b>  John R. Baza, Associate Director Date: February 3, 2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML 47962	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: CrownQuest Operating, LLC		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 303 Wall, Ste. 1400 CITY Midland STATE TX ZIP 79702		PHONE NUMBER: (432) 685-3116	9. WELL NAME and NUMBER: Halls State 5-1
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1940 FNL and 2080 FWL AT PROPOSED PRODUCING ZONE: 1940 FNL and 2080 FWL		10. FIELD AND POOL, OR WILDCAT: Wildcat	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6 Miles northeast of Monticello		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 5 33S 24E P	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1940'	16. NUMBER OF ACRES IN LEASE: 2080.34 Ac.	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2910'	19. PROPOSED DEPTH: 9,888	20. BOND DESCRIPTION: RLB 0007554 (120,000 Blanket)	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6891 GL	22. APPROXIMATE DATE WORK WILL START: 3/18/2005	23. ESTIMATED DURATION: 45 days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT

NOTE

See Drilling Plan For:  
Proposed Casing and Cementing Program

RECEIVED  
FEB 03 2005

DIV. OF OIL, GAS & MINING

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Robert R. Griffie, Agent for: (CrownQuest) TITLE Operations Manager  
SIGNATURE Robert R. Griffie DATE 1/28/2005

(This space for State use only)





API NUMBER ASSIGNED: 43-037-31833 APPROVAL:

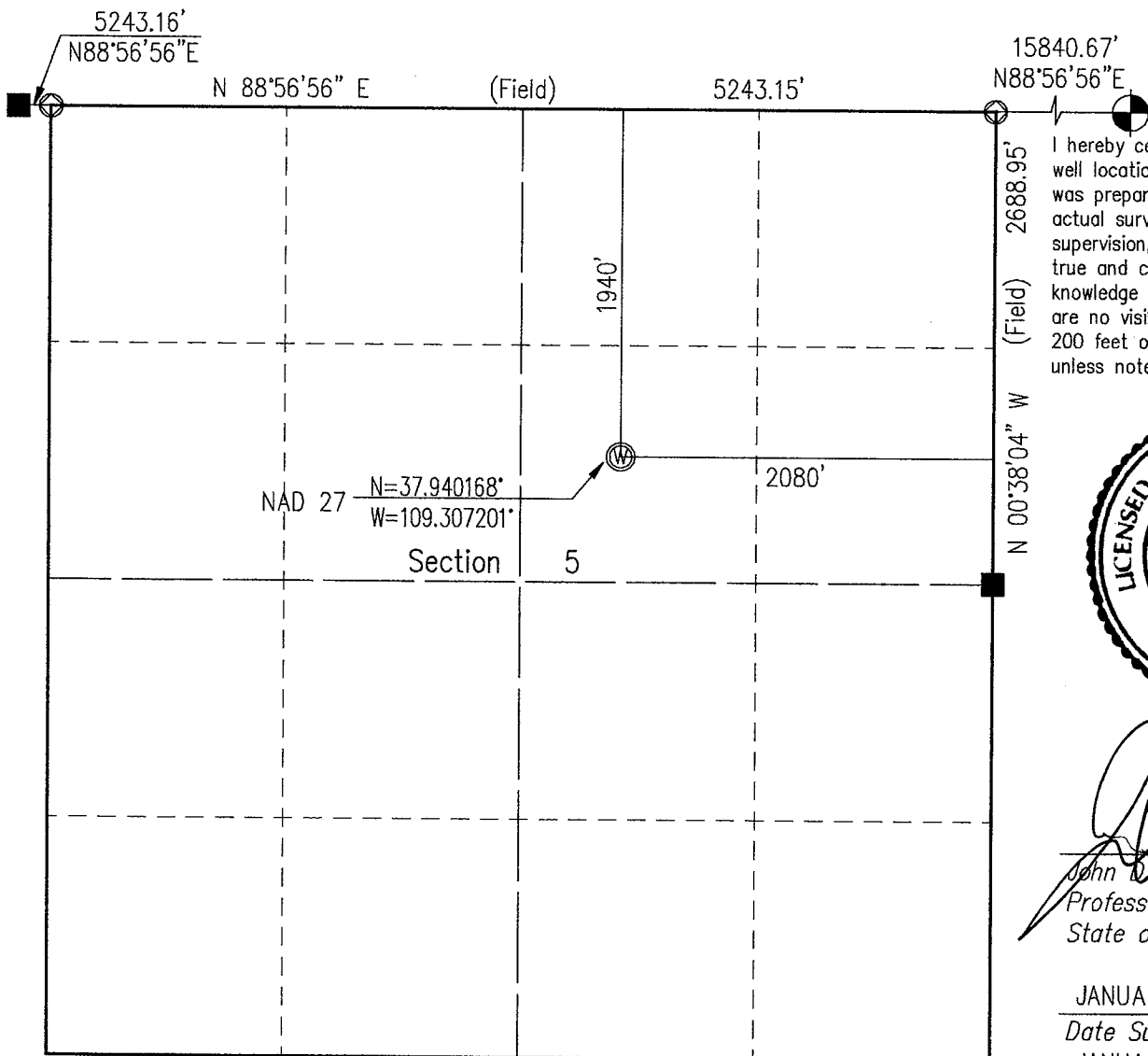
# UTAH WELL LOCATION PLAT

OPERATOR Crown Quest Operating  
 LEASE Halls State WELL NO. 5-1  
 SECTION 5 TOWNSHIP 33 South RANGE 24 East 6th, P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 1940 FEET FROM THE North LINE and  
2080 FEET FROM THE East LINE and  
 GROUND LEVEL ELEVATION: 6890.97'  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200' - Pasture  
 BASIS OF BEARING: GPS Data - NAD 83  
 BASIS OF ELEVATION: GPS Data - Diff. corrections Omnistar

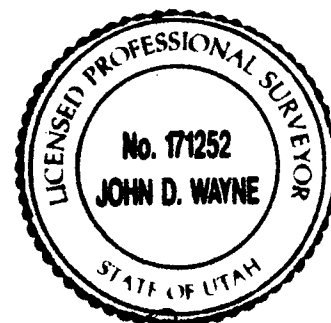
500' 500'  
 1" = 1000'


Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

-  GLO BC
-  WELL Location
-  STONE Marked
-  CALCULATED Corner



I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



  
 John D. Wayne  
 Professional L.S. #171252  
 State of Utah

JANUARY 18, 2005

Date Surveyed:

JANUARY 19, 2005

Date Platted:

SCALE: 1" = 1000'

